

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1834 - HB 2116**

February 6, 2014

**SUMMARY OF BILL:** Authorizes full-time state employees to take one course per term without payment of tuition and fees at any state supported college, university, college of applied technology, or the Tennessee Foreign Language Institute, provided that the course not exceed four credit hours or 120 clock hours. Employees may apply the cost equivalent of the full tuition waiver toward payment for a class exceeding four credit hours or 120 clock hours.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$137,600/TCAT Institutions**

**Other Fiscal Impact – Based on information received from the Tennessee Higher Education Commission (THEC), the increase in state revenue to the various TCAT institutions will allow THEC to redistribute a small amount of state appropriations received for tuition and fee waiver programs throughout the state's college and university systems. This redistribution will help reduce the annual budget deficit that institutions are currently experiencing relative to the growth of such programs.**

**Assumptions:**

- The number of full-time state employees and the number of credit hours such employees take remains relatively constant.
- According to THEC, the majority, if not all, courses that are over four hours or 120 clock hours are taken at a Tennessee College of Applied Technology (TCAT).
- The average number of credit hours not paid for under the current state employee waiver system is 614.5 and the average cost of a credit hour at a TCAT is \$224.
- The recurring increase in state revenue to the various TCAT institutions is estimated to be \$137,648 (614.5 x \$224).
- THEC does not receive annual appropriations sufficient to cover the difference between actual institution expenditures and statewide tuition.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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